

**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113  
Sacramento, CA

Minutes of Meeting  
September 11, 2008

**COMMISSIONERS PRESENT**

Cathie Bennett Warner, Chair  
Michele Burton, M.P.H.  
Marvin Kropke  
Vicki Marti  
Nancy McFadden

**COMMISSIONERS ABSENT**

Wilma Chan

**EX-OFFICIO MEMBERS PRESENT**

Cathy Halverson, Department of Health Care Services  
Jan Lapanja, Department of Finance

**EX-OFFICIO MEMBERS ABSENT****CMAC STAFF PRESENT**

J. Keith Berger, Executive Director  
Tacia Carroll  
Paul Cerles  
Nathan Davis  
Denise DeTrano  
Holland Golec  
Mark Klobberdanz  
Katie Knudson  
Jenny Morgan  
Becky Swol  
Mike Tagupa  
Mervin Tamai  
Karen Thalhammer

**I. Call to Order**

The September 11, 2008 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Chair Cathie Bennett Warner. A quorum was present.

**II. Approval of Minutes**

The August 28, 2008 meeting minutes were approved as prepared by CMAC staff.

### **III. Executive Director's Report**

Keith Berger, Executive Director, began his report by informing the Commissioners that last week CMAC staff electronically transmitted a letter notifying all Selective Provider Contracting Program (SPCP) hospitals that Round 4 negotiations for distributions from the Distressed Hospital Fund (Fund) are commencing. He said that the letter included language stating that any distributions from the Fund are contingent upon approval of the State budget. Proposals from interested SPCP hospitals will be due by October 10, 2008. The letter, schedule, and required forms are available on CMAC's website.

Mr. Berger noted that the letter to the hospitals included a statement notifying them that at CMAC's September 25, 2008 meeting, CMAC will again be accepting public comment on the focus and process of the Distressed program. He said that hospitals are also invited to submit written comments in addition to or instead of appearing at the meeting. The hospital associations have also been notified of the initiation of this year's Distressed process and of our request for written input and/or public comment at the next meeting.

Regarding the State budget, Mr. Berger indicated that there is nothing new to report. He said that several votes have been taken in the past week, but nothing has been approved. Discussions are ongoing, and the Governor met with several groups of Legislators earlier in the week. CMAC staff will continue to monitor the budget's progress and will move as quickly as possible on the supplemental program once the new budget is effective.

Mr. Berger noted that there are three contracts and amendments before the Commissioners for review and action in closed session today as well as several extended discussions regarding current hospital negotiations and negotiation strategies.

### **IV. Department of Health Care Services (DHCS) Report**

Cathy Halverson, DHCS, reported to CMAC that DHCS had a loan available for \$1 billion (with a match from the federal government) to pay institutional Medi-Cal providers in absence of a State budget from July 1, 2008 until September 1, 2008. At this time, the loan funds are exhausted and as of September 8, 2008, DHCS owes \$1.5 billion to institutional providers. She noted that non-institutional providers continue to be paid under the Federal Prompt Payment Act.

### **V. New Business/Public Comments/Adjournment**

There being no new business and no comments from the public, Chair Bennett Warner recessed the open session. Chair Bennett Warner opened the closed session and, after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Chair Bennett Warner announced that the Commission had taken action on hospital contracts and amendments in closed session. The open session was then adjourned.